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SUBJECT: IRAQI NSC MEETING ON NOV 2 REVIEWS SITUATION IN MOSUL

REF: BAGHDAD

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d)

**¶1.** (S) Summary. At the November 2, 2008 meeting of the Iraqi National Security Council, Prime Minister Nouri al-Maliki received the reconstruction report for Mosul. The report indicated that while many infrastructure projects were planned, implementation was slow and the province appeared unable to effectively use the funds available to it.

Discussion of the report highlighted the embezzlement and extortion of funds from Government of Iraq (GOI) development projects by Al Qaeda in Iraq (AQI) in Mosul. The NSC also heard the investigation results on Christian displacement in Ninewa Province. The investigation report pointed to the poor performance of and a total lack of coordination between the provincial government and Iraqi Security Forces (ISF). The report also suggested that leaders in the Christian community in Mosul may have played a role in spreading the fear that produced the mass flight of Christians out of the city. PM Maliki, acknowledging deficiencies in the performance of the ISF in Mosul, noted that Ninewa Province was not yet assumed provincial Iraqi control (PIC), stated that Multi National Force Iraq (MNF-I) has an important security role, and called on all parties to work together to solve the problems in Ninewa. End Summary.

Reconstruction Report: Mosul

**¶2.** (SBU) Minister of Communications Mohammed Tawfiq Allawi delivered a report to the Prime Minister on the progress of reconstruction efforts in Ninewa. Allawi painted a mixed picture as he describe the progress of programs intended to improve the city's infrastructure, enumerating the projects planed, completed, awaiting bids, and still under study. The scope of infrastructure work included:

- Road construction, primarily in the form of widening and paving dirt streets, as well as general repairs;
- Public rest rooms primarily to service congested areas such as markets and other public spaces;
- Improvements to public parks, including fountains;
- Construction of new sports and youth facilities, including stadiums;
- Rebuilding the city water intakes from the Tigris River, which had been intermittently unusable because of low water levels, but now function normally with increased daily flow;
- Installation of new electrical lines, transformers, and high voltage shut-offs;
- Installation of new utility poles and street lights;
- Installation of fiber-optic communications cable;
- Bridge maintenance and repair;
- Construction of new sewage lines and repair of existing infrastructure;
- Repair of airport facilities; and
- Construction of a new passport office.

The Minister noted that both the electrical system and the sewage lines in Mosul were in especially poor condition. He also reported that funds had been provided to Shia, Suni, and

Christian charities for some development projects, but that none had been completed yet.

¶13. (C) Allawi said that Mosul continued to resemble a battlefield, with streets still littered with debris, damaged storefronts, and few tangible indicators of improvement. He stated that Mosul needed to liquidate the funds it had more rapidly, so that it could move forward with infrastructure projects and get people back to work. He noted that workers and technocrats alike were in need of employment, and it would benefit the city's security if fewer unemployed were wandering its streets.

¶14. (C) The Prime Minister commented that he wanted to see Mosul cleaned up. He stated that the GOI needs to move development projects in the city forward, and to get the funds already in city accounts flowing into activities that would help the citizens. He noted that the sewage system remained a problem, to which Allawi added that the uncontrolled release of industrial pollutants was further aggravating the situation. The PM then reiterated that the streets needed to be cleared of debris.

¶15. (S) The Minister of Communications then stated that improvements in security were essential if the development projects in Mosul were to move ahead. National Security Advisor Mowaffaq Rubaie cautioned that in awarding contracts for development projects in Mosul, the GOI must assure that public monies were not being skimmed or extorted to support terrorist groups. He recommended paying for all contracts by electronic funds transfer (EFT), rather than cash. Allawi responded that effective action to improve the overall

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security situation by the ISF was the key to ending AQI activity, not pressure on companies who were themselves merely the victims of terrorist groups. He suggested that the GOI should consider establishing Sons of Iraq (SOI) like militia in Mosul to combat extremists. Maliki reacted sharply to that suggestion, stating that Mosul was not ready for SOI.

¶16. (S) Deputy Prime Minister Essawi proposed that the GOI should establish a joint committee to provide command and coordination of security operations and development programs in Mosul. He said that if the Provincial Council (PC) proved unable to liquidate the development funds provided to it, then the joint committee should assume control of the funds so that projects could move forward. The PM stated that the proposal to shift program funds to the control of a joint committee could be submitted to the Council of Ministers (COM); if funds available to the PC are vulnerable to embezzlement or extortion by AQI, then the funds should be taken out of their control.

¶17. (S) The PM, Minister of Defense Al Qadir, Allawi, and Rubaie then entered into a general discussion of the complicity of local companies in funding extremists. Al Qadir asserted that the problem was not as serious as some had charged, and that reports claiming that up to thirty percent of public project funds were being diverted were an exaggeration. Rubaie insisted that some companies were directly involved, part of a network in northern Iraq that funds AQI, and that the GOI knew who some of companies were. Allawi continued to put forward his position that the companies were not at fault, merely afraid of the consequences if they did not pay. PM Maliki stated that the diversion of funds from companies to AQI was very dangerous, and that the GOI should form a new committee to determine which companies were involved. He called for all of the agency heads present to work together to dry up the flow of resources to extremists. The PM cited specific examples--Asiacell, state cement factories, cigarette sales, and sympathetic imams in some mosques, as known sources of revenue for terrorist networks.

¶8. (S) General Odierno commented that first the security situation would have to continue to improve, then political issues needed to be resolved. Upcoming provincial elections in Ninewa are extremely important. General Odierno said that when AQI's second-in-command, Abu Qaswarah, was killed in October, MNF-I discovered documents indicating that up to \$1 million per month had been raised in Mosul for AQI, some of it extracted from firms that included cell phone and cement companies. Unfortunately the documents had not revealed names of specific companies, only types of business. He stated that the Coalition and ISF would have to get the individuals who were paying extortion to work with them against the extremists, and that this would take time. He also said that as the information of extremist financing in Mosul was six weeks old, it was tougher today for terrorists to raise funds because of recent security operations.

#### Investigation Results on Christian Displacement in Ninewa

¶9. (S) Iraqi Ground Forces Commander Lieutenant General Ali Gaidan delivered the report to the NSC of the Committee charged by the NSC to investigate the recent displacement of Christians from Mosul. He explained that the committee had spoken with a broad range of interlocutors, including the displaced families, Christians living on both sides of the river, religious figures, the PC, prominent citizens, the Governor, the Military Commander, and officers down to company level. He said that the committee delivered a message to the internally displaced persons (IDP): that the GOI would react forcefully against the terrorist responsible for the intimidation.

¶10. (SBU) General Ali said 8 Christians were killed and 3 Christian houses were destroyed by terrorists.

¶11. (S) Ali detailed the findings of the report, copies of which were provided (in Arabic, translation to follow). General Ali cited both security and political findings for the crisis in Mosul. He noted that interviews had uncovered:

- The lack of communication and cooperation between the Governor, the Chief of Police, and the military Commander in Mosul;
- The weakness of ISF command and control and Province governance;
- The slow pace at which information on the violence directed at the Christians in Mosul was acquired and analyzed by the ISF;
- The lack of a timely and effective reaction by the ISF

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after the initial reports of intimidation and killing had been received;

- The premature, uncoordinated removal of some security barriers protecting Christian neighborhoods;
- The presence of a segregated unit, the Iraqi Second Division, in Mosul for four years continuously;
- High unemployment that created a ready pool of recruits for extremists.
- A strong sense among Christians that the ISF could not protect them.

General Ali noted that MNF-I remained responsible for security in Ninewa, and that the province had not yet been transferred to Iraqi control.

¶12. (S) On the political level the Ground forces Commander also suggested that leaders in the Christian community had contributed to the scope of the displacement by reacting disproportionately to fear from the initial violent acts. Suggesting there were Christian leaders seeking to set up an autonomous region, General Ali said the large number of new residential areas and the influx of Christians to the region led some to suggest politics were involved in the incidents. Christian leaders, supported by some "elements" reportedly had built housing developments in the area to create new Christian population centers and it was there that they hoped to direct Christians fleeing Mosul. General Ali did not

provide any indication of who had directly been responsible for the attacks but suggested AQI was likely involved. He said another committee would have to be formed to determine who had done the actual killing.

¶13. (S) He pointed to specific problems in the conduct of the military and police and said that commanders had not responded appropriately to the attacks. Ali also stated that the report recommended taking action against the Army and Police Commanders.

¶14. (S) Minister of the Interior Jawad al-Bulani reacted to the report, questioning its credibility, claiming a lack of MOI participation in the investigating committee. National Security Advisor Rubaie responded that the PM had established two committees to investigate the displacement of Christians from Mosul, and that the composition of the committee who had prepared this report was appropriate.

¶15. (S) Foreign Minister Hoshyar Zebari (clearly reacting to the suggestion of Kurdish involvement in the incidents) said that he was very disappointed with the report, as it called for yet another technical investigation to determine who was actually responsible. He reminded the NSC that creating an autonomous region for Christian Assyrians was unconstitutional, and said that findings must be based on facts, not theories. He said the political analysis of the report did not appear based on facts.

¶16. (S) PM Maliki said that the GOI needed to know if the theory about Christian leaders fomenting fear to force displacement was true, but also needed to know why the ISF had performed so poorly and failed to recognize the indicators of the catastrophe before it occurred. The PM asked General Odierno what he knew about MNF-I's reaction to the displacement of Christians from Mosul. The Commanding General responded that there had been a lack of security and oversight in Mosul. MNF-I had learned that at the end of September, two Baathists met with AQI in Mosul and called for raids on Christians, including thefts, rapes, kidnappings and other forms of intimidation. Though the actual number of attacks were few, it was sufficient to cause thousands to flee. He said this was an extremely complex issue involving many separate agendas to even include the Christians.

¶17. (S) A lengthy and animated discussion ensued between Maliki, Bulani, Al Qadir, Rubaie, and Ali over who was responsible for the failures in Mosul. The Ministers of Defense and Interior defended the performance of their respective Ministries, while the Ground Forces Commander emphasized the extent to which a total lack of coordination and cooperation between the military police, provincial government, and even MNF-I made a bad situation worse. The PM stated that the report contained thirteen recommendations that could resolve the problem if followed. He said that the Governor in Nineva is weak and unqualified to run the province, and that there was no cooperation between the governor and the military command. Maliki stated that the command would have to be changed. He called on the agencies present in the meeting to work together to bring about the defeat of AQI, which he said was making its last stand in Mosul, perhaps with some Syrian help. He welcomed additional suggestions, and stated that the GOI would now go forward with the recommendations contained in the report.

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¶18. (S) The PM stated that no one entity was to blame for the problems in Mosul, but that responsibility had to be shared among the police, the military, the tribes, and even MNF-I. Noting the poor performance of the ISF, he called on all parties to work together, including the intelligence services, to resolve the situation in Mosul. Acknowledging that success there would not be had without a price, Maliki stated "the sacrifice will be the size of the victory."

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